Intelligence for
a multi-ethnic Britain

Researching Older Black and Minority Ethnic People and Financial Inclusion

Between 2010 and 2012 Runnymede has been conducting groundbreaking research on older Black and minority ethnic (BME) people, investigating their current and future financial needs and experiences. This programme has been generously supported by the Nationwide Foundation.

Our overall aim is to ensure that older BME people’s needs and voices are on the policy agenda. We are particularly focused on financial issues, but over the past three years we have also explored concerns such as the importance of family ties, healthcare costs, participation, and grandparenting.

This briefing highlights our key findings over five major research reports and two deliberative assemblies. These include the rapid growth in the older BME population, income and asset poverty, barriers to overseas retirement, rural retirement, and grandparenting. It also highlights the films we have made to capture the two deliberative assemblies we held in London and Birmingham.

1. The older BME population is rapidly growing

Our first report addressed the current and future older BME population. This report, *The Future Ageing of the Ethnic Minority population of England and Wales*, was written by the Centre for Policy on Ageing and serves as an important touchstone for the whole programme. A key finding is that while the population of ethnic minorities over 65 was only 230,000 in 2001, this may increase to 2.7 million by 2051.

While the current over-65 BME population was mainly born overseas (before 1947), in the future more of this population will be British-born. So although there are many important policy questions in responding to the needs and preferences of older BME people today, these may change as the future cohorts of older ethnic minorities have different experiences and needs. To explain these changes, our report indicates current and future age distributions for each of the sixteen 2001 Census categories.

The report’s key findings include:

- The number of BME people aged 70+ is projected to rise from 170,000 in 2006 to 1.9 million in 2051 — an 11-fold increase (see Fig 1).
- BME people aged 50+ will make up 22% of the total 50+ population in 2051.
- The overall BME population will be as much as 30% of the population of England and Wales by 2051, and all groups will have significantly older populations than today.
- Policymakers must ensure that future services — including health and social care services, as well as financial services — adapt to meet the needs of this population.

![Figure 1. Numbers of older BME people (England & Wales)](source)

2. Ethnic minorities are more likely to live in pensioner poverty and have less wealth

Evidence across education, employment, health, crime and housing continues to show that Black and minority ethnic people are more likely to experience disadvantage. The higher rate of ethnic minority poverty is largely driven by higher unemployment rates, and also lower wages. Over time this means that BME people are much less able to save, and can only save smaller amounts, which has direct effects on their livelihoods when they are older. Our research has found:

- While 16% of white pensioners live in poverty, this rises to 46% of Bangladeshi and Pakistani pensioners and 25% of Black Caribbeans.
- BME people are less likely to have a private pension, even among those in work, and are less likely to own their homes.
- BME households hold less total wealth. Bangladeshi and Black African households hold £15k and £21k respectively, compared to £221k for White British ones (see Fig 2).
- Policymakers must ensure that BME people are able to support themselves — through being able to work, earn and save — and be provided with adequate and appropriate support, whether through the NHS, social care or state pensions.

![Figure 2. Total household assets](image)

Source: ONS Wealth and Assets Survey (2010)

3. People who were born overseas and want to retire to their country of birth face financial and other barriers

As we have already highlighted, most BME people now over 65 were born overseas. Our second and third research reports therefore explored the extent to which older BME people return ‘home’ for retirement, and the implications of their doing so. Our first report on this topic, *The Costs of Returning ‘Home’*, summarized the potential opportunities and costs for older BME people living in the UK and considering retiring overseas. It was based on desktop research and included a list of relevant countries, pensions and housing, taxes and social security arrangements, healthcare, family, standard of living and climate.

In our second report, *To Stay or Not To Stay*, we interviewed older BME people across the UK to determine how likely they are to consider retiring overseas, and their various reasons for doing so. While we did find some evidence that people wanted to retire overseas, typically to improve their quality of life and health, we also found that more people wished to stay in the UK, mainly to maintain ties with their family. Our key findings and recommendations included:

- Many people who have lived and worked in the UK for 30 or 40 years but who then retire overseas receive UK State Pensions that are frozen in value when they leave the UK, rather than being annually uprated in line with inflation.
- This means that people can lose out on up to £24,000 over 20 years of retirement.
- This applies to the vast majority of countries outside Europe — including India, Pakistan, Bangladesh, all African countries and most Caribbean countries.
- We therefore recommend that government uprates pensions in all countries as a matter of fairness.
- We recommend that government provide better information and advice for those considering retiring overseas so that they understand the full financial consequences of doing so.
- Another barrier to moving permanently away from the UK is the much higher costs of healthcare overseas, despite having contributed to the NHS throughout their lives.
- We recommend improving access to the NHS for those who move between the UK and elsewhere in retirement.
- We live in an increasingly mobile world, meaning that a benefits system that assumes people will live in the same country their entire working lives and retirement will become increasingly inappropriate.
4. Ethnic minorities are currently less likely to live in rural areas, but may retire in the countryside in future

While overseas-born people may return ‘home’ for their retirement, those born in the UK obviously will not have the same sets of considerations. One possibility is that British-born ethnic minorities may follow the experience of their white British counterparts and increasingly retire to the countryside. On the other hand, we also know that ethnic minorities are much more likely to live in urban areas. It is therefore unclear if and whether older BME people will in fact retire to the countryside though University of Leeds research suggests that all ethnic minorities will be more likely to live in rural areas by 2051 (see Fig 3).

Our report, *A Sense of Place*, found that relatively few older BME people are currently considering retiring to the countryside. Although many were concerned about rural racism, they more typically expressed concerns around family and friends and access to public and private services such as healthcare, transport, shops, hairdressers and mosques. We also explored the extent to which care homes are currently adapting to the needs of older BME people, and whether they will need to do so more in future.

**Figure 3. Proportion living in rural UK in 2001 and 2051, by ethnicity**

![Proportion living in rural UK in 2001 and 2051, by ethnicity](source)

**Source:** A Sense of Place, citing Wohland et al. (2010)

5. The contribution of BME grandparents

Our final report (to be published in January 2013) explores the question of grandparenting among BME families, and in particular how far grandparents were making a contribution to their children’s and grandchildren’s lives, through childcare and direct or indirect financial support.

Despite the increase in the provision of formal childcare, our interviews with over 70 BME grandparents confirmed evidence that grandparental childcare is widely used to enable parents to work. Providing childcare for grandchildren is one of the key ways in which older people contribute to the economy. In this sense older BME people should not be seen in terms of deficit and fiscal drain but in terms of the assets they bring and the vital contributions they make to the economy and society.

BME grandparents do not necessarily view caring responsibilities and family obligations in terms of financial transactions, but are much more likely to emphasize the importance of having a strong and loving relationship with their grandchildren. Our research shows the value grandparents bring to family life, and the pivotal role grandparents play in how families manage their caring and financial needs.

Some of our respondents support their grandchildren and children financially, and we also found financial flows in the other direction, from child to parent. This tends to occur on an ad hoc needs basis through informal means such as cash or the giving of one-off gifts, rather than on a regular basis through more formal channels such as bank transfers. For those that weren’t able to support their family financially, or indeed to save for their future care needs, the main reason was insufficient income and lack of money after the necessary expenditure on day-to-day living costs.

Many BME grandparents are extremely concerned about the impact of the current economic context on older people, in particular in connection with the detrimental impact of austerity policies and the rising cost of living, which is exacerbating pensioner poverty amongst these groups.
As part of our programme, we have released a short documentary film of BME people debating the various challenges associated with retirement.

In December 2011 we brought together 50 people from a range of ethnic backgrounds. Participants reflected on a series of facts and policies, drawing on their own experiences and others’ perspectives. Most importantly, people took the opportunity to voice their concerns and propose solutions.

Some key concerns included:

- people having to spend all day in libraries and pubs because they cannot afford to heat their homes;
- feeling that people should not be forced to work for longer, given ill health and a lifetime of work and contribution;
- feeling that children and grandchildren will be worse off and need financial support.

Recommendations on BME grandparenting:

- Policymakers need to give greater attention to the importance of informal childcare, especially the role of grandparents in providing childcare.
- Grandparents’ huge contribution in childcare provision needs to be recognised. Outside a formal payment system, other policy responses could offer more support to grandparents who provide childcare. The Government should review the parental leave system to make it possible to transfer parental leave to working relative carers including grandparents.
- Government should review the existing childcare system to address widespread concerns on affordability, quality and availability of places. This is especially important for BME families, who are more likely to live in low-income households.

6. Film of BME people debating retirement: Facing Financial Futures

Watch the film at:
- http://tinyurl.com/7nc2bjz, or
- http://www.youtube.com/runnymedetrust

Find out more

To find our more, please contact Omar Khan at omar@runnymedetrust.org. All our reports can be downloaded for free at www.runnymedetrust.org, including:

- To Stay or Not to Stay: Retirement Migration Decisions among Older People (2011)
- A Sense of Place: Retirement Decisions Among Older Black and Minority Ethnic People (2012)
- Grandparenting Among BME Families: Managing Caring and Financial Needs (January 2013)

Runnymede is the UK’s leading independent race equality think tank. We generate intelligence for a multi-ethnic Britain through research, network building, leading debate and policy engagement.